

# POLICIES & PROCEDURES

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## Budget Policies

The City of Chattanooga has as its highest priority not only the maintenance of basic public services and facilities necessary to meet the needs of its citizens, but also any future needs necessary to keep it the growing, thriving metropolitan area it has become over the years. Current basic public services are those services that would not be provided without public action, and future basic public services could not be provided without the proper planning necessary to provide them. Within this framework the City prepares its Operating Budget each year.

The overall goal of the City's financial plan is to establish and maintain effective top quality management of the City's financial resources. By effectively managing these financial resources through sound budget policies and the monitoring of the results of these policies throughout the fiscal year, the City builds itself a "better mousetrap" for subsequent years. Because the City involves each Department/Division so heavily in the budget process, the policies serve as an excellent training guide, even for the budget novice. And because the City involves each Department/Division Administrator so heavily in the budget process, the finished product, i.e. the Budget Ordinance, serves as an excellent management tool for use in day to day decision making in the operation of a department. The Budget Ordinance also provides the basis of financial control to ensure compliance and prevent any overspending. Monthly reports comparing budgeted amounts to actual amounts are furnished to each department for review. These reports are also used to search for funding sources, or unexpended appropriations, needed if a departmental mission is adjusted in midyear.

The City's budget policies are written up each year by the Budget Section of the City Finance Administrator's Office. These proposed policies are reviewed by the Finance Administrator to insure they contain all information known at that time to provide the desired results of the current year budget process. Working together, the Finance Administrator, Deputy Finance Administrator, Assistant Finance Officer and the budget staff insure that the budget policies to be presented for consideration by the Mayor and City Council do contain the means to provide the basic public services. Basic public services can be defined as those services that are

- *essential to the health and safety of the City's citizens,*
- *necessary in order to avoid irreparable damage to City resources, and*
- *a service that the absence of which would make the City's quality of life generally unacceptable to its citizens.*

After the budget policies have met the satisfaction of the Finance Administrator and his staff, the Finance Administrator presents them to the Mayor. They undergo further review, additions, deletions, and changes by the Mayor based upon his personal knowledge of the direction the City needs to be taking. After the Mayor has reviewed the budget policies, he then presents them to the City Council for review and adoption. Here the City Council can add, delete, or change any portion of the policies they deem necessary. Once the Council is in agreement, the policies are formally adopted in a City Council budget meeting. Once adopted, the budget policies are set in place to serve as the guide for the fiscal year.

The following section outlines the budget policies adopted by the City Council for use in preparation

of the City's FY 99/00 Operating Budget: Budget Requests for Fiscal Year 2000 will be submitted on line-item (Account) basis. Generally, any growth in funding must be fully justified and will be at the expense of some other line item, barring a specific revenue generated to cover the additional expense.

- ◆ Budget Requests will be divided into two parts: The Maintain Requests, and the Additional Requests. Requests for additional funding must be accompanied by narrative justification.
- ◆ Maintain Requests will be based upon the projected 98/99 expenditures less any one time nonrecurring expenditures.
  - a. Request for one time, unavoidable costs that are anticipated for FY 99/00 will be included in the Additional Requests with justification.
  - b. Requests for recurring unavoidable increases, including such items as street lighting, other utilities, pension costs, FICA, etc., will be included in the Maintain Budget Requests.
- ◆ Personnel Issues:
  - a. Maintain Requests for Salaries & Wages will include all positions authorized at the current Pay Plan Amount. Projections will be provided by the Finance Office.
  - b. Maintain Requests will not include any requests for funding of additional personnel.
  - c. Do not include funds for pay raises or pending reclassifications. Step increases are provided for by Projections, which will be entered by the Budget Analysts after a decision is made concerning salary and wage changes.
  - d. Budget Requests for overtime must be from a zero base, consistent with overtime ordinances, and not justified by prior year experience only.
  - e. If you plan to hire temporary workers, your budget estimate should include payroll taxes. Any hiring of contract

employees must stand up to IRS scrutiny.

- f. Temporary staffing should be budgeted under "Salaries & Wages".
- g. Requests for new or additional positions are to be submitted with the completed budget request forms along with proper justification. Only positions which are included in the City's current pay plan will be considered for approval in 1999-2000 budget.
- ◆ Renewal & Replacement:
 

Budget Requests will include capital operating requirements, to be funded from the amount appropriated for Renewal & Replacement of Equipment. Generally, a capital operating requirement has a useful life of less than 15 years and involves a cost less than \$25,000.00. Items with a longer useful life and greater cost will be included in the Capital Budget.
- ◆ We do not anticipate any increase in utility costs during FY 99/00.
- ◆ The price factor to be used for forecasting fuel costs is \$0.90 per gallon.
- ◆ All departments will include in each activity funds for vehicle repairs at City Garage. Parts will be billed by the Garage at a 25% markup. Labor cost has been set at \$36.00 per hour. Vehicle maintenance cost expenses should be based on hours experienced during FY 98/99 execution.
- ◆ Fringe Benefit costs are to be included in each Activity Request which has Personnel costs. These Fringe Benefit costs are:
 

General Pension	3.53%
BlueCross Blue Shield of Tennessee:	
Individual	\$126.57
Subscriber + 1	\$272.34
Family	\$416.56
Life Insurance Coverage: \$0.295 per \$1,000 coverage/month	
Long-Term Disability:	
\$0.14 per \$1,000 up to age 62	

FICA	6.20%
Medicare	1.45%
Union Pensions:	
Operating Engineers	\$1.06/hour
Laborers	\$0.82/hour

These costs are subject to update as additional information becomes available. Fringe Benefit cost projections will be provided by the Finance Office.

- ◆ Budget Request will include \$1,500,000 for Renewal & Replacement Appropriation.
- ◆ Budget Request will include \$1,000,000 for Contingency Fund.

### Budget Execution Guidance:

Salary and wage funds are "generally untouchable" to use as funding sources for other line items during the fiscal year.

Use of the city's garage services is mandatory for applicable procedures/services unless specific approval of the Mayor is obtained in advance.

Included in your budget packages are listings of Descriptions, Goals & Objectives, and Performance Measures for each activity. Please update, if necessary, as they are included in our Comprehensive Annual Budget Report submitted to the Government Finance Officer's Association.

## Revenue Policies

The City of Chattanooga's revenue programs are administered by the Budget Section of the Department of Finance & Administration. The Budget Section adheres to long-standing principles which insure stability and financial health. The cornerstone of these principles followed by the City is an air of conservatism. The City never has, nor never will, intentionally overestimate a revenue source merely to fund a project or additional personnel. The revenue policies of the City remain fairly constant from year to year, changing to include new revenue sources and an extension of the tax base when appropriate. These revenue policies give a good insight into the reasoning being considered by the City at budget time. The policies themselves reflect the conservative approach used by the City.

Revenue policies of the City include, but are not limited to the following:

- ◆ The City will maintain effective collection systems and implement aggressive enforcement strategies to maximize revenues from all sources.
- ◆ The City will attempt to maintain a diversified revenue base, which will not emphasize any one revenue source.
- ◆ The City will attempt to maintain a revenue system which will encourage development of alternative revenue sources.
- ◆ The City will continually monitor the local tax effort, such as Property Tax and Sales Tax, and compare it with other cities of comparable size.
- ◆ The City will maintain a broad revenue base; that is, a large number of widely diversified revenue sources will be established and maintained in order to distribute the revenue burden equitably and protect the City from short-term fluctuations in any one revenue source.
- ◆ The City will follow a conservative approach in

the projection of revenues so that actual revenues at year end will consistently equal or exceed budgeted amounts.

- ♦ The City will actively seek Federal and State grants and insure a fair proportion is received.
- ♦ The City will review all user fees and licenses annually, adjust these fees and licenses when appropriate, and establish new fees and licenses when necessary.
- ♦ The City will establish all user charges and fees at a level related to the full cost of providing the operating, direct, indirect, and capital services.
- ♦ The City will limit the designation of General Fund revenues for specified purposes in order to maximize flexibility and utilize revenues more efficiently.
- ♦ The City will continue to maintain its low Debt Ratio in providing funding through general obligation bond sales.

## Cash Management & Investment Policy

**1.0 Policy** It is the policy of the City of Chattanooga to invest public funds in a manner which will maximize investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds. The City Treasurer is authorized to manage the investments described herein.

**2.0 Scope** This investment policy applies to all financial resources of the City of Chattanooga, other than funds of The City of Chattanooga General Pension Plan and The City of Chattanooga Fire and Police Pension Plan, managed by a board of trustees or contractual managers; Deferred Compensation Plan funds managed externally; and such funds excluded by law, bond indenture or other Council-approved covenant.

These funds are accounted for by the City's Finance Department Accounting Services Division, as represented in the City of Chattanooga Comprehensive Annual Financial Report and include:

### 2.1 Funds

- (1) General Funds
- (2) Special Revenue Funds
- (3) Debt Service Funds (unless prohibited by bond indentures)
- (4) Capital Project Funds
- (5) Enterprise Funds
- (6) Trust and Agency Funds
- (7) Any new fund created by the City Council, unless specifically exempted.

Funds held by the Hamilton County Finance Department during tax collection period shall be governed by the County's investment policies, and are not subject to the provisions of this policy.

**3.0 Prudence** The standard of prudence to be used by investment personnel shall be the "Prudent Investor Rule" and will be in the context of

managing an overall portfolio: " Investments shall be made with judgment and care-under circumstances then prevailing-which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

Investment officials meeting this standard will be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

#### **4.0 Investment Objectives.**

The primary objectives, in priority order, of the City of Chattanooga's investment activities shall be as follows:

**4.1 Safety.** Safety of principal is the foremost objective of the investment program. Investments of the City of Chattanooga shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversion is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

**4.2 Liquidity.** The City of Chattanooga's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.

**4.3 Return on Investment.** The City of Chattanooga's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, commensurate with the City's investment risk constraints and cash flow characteristics of the portfolio.

**4.4 Local Institutions.** Local institutions shall be given preference when they are, in the judgment of the Treasurer, competitive with other institutions.

#### **5.0 Delegation of Authority.**

Chattanooga City Charter 6.1 Empowers the Mayor, Finance Officer and Treasurer with the investment responsibility for the City. There is created within the Department of Finance, a Treasury Division. The Treasurer is responsible for day-to-day investment decisions and activities and the development and maintenance of written procedures for the operation of the investment program, consistent with these policies.

Procedures should include reference to: safekeeping, SPA repurchase agreements, wire transfer agreements, banking service contracts and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Officer. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

The Treasurer shall report to the Mayor and Finance Officer at agreed-upon intervals, on investment activities. The Treasurer will train other investment personnel to assist and provide relief in the day-to-day placement of investments.

#### **6.0 Ethics and Conflicts of Interest.**

Any person involved in the investment process shall refrain from personal business activities which could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Investment personnel shall disclose to the Mayor any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment position that could be related to the performance of the City of Chattanooga, particularly with regard to the time of purchases and sales.

Bonding of all staff involved in the investment process shall be required, and such bonding

requirements shall apply to those individuals authorized to place orders to purchase or sell investment instruments.

### **7.0 Authorized Financial Dealers and Institutions.**

The Treasurer will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment services in the State of Tennessee. These may include "primary dealers" or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by the laws of the State of Tennessee.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Treasurer with the following:

- (1) Audited financial statements
- (2) Proof of National Association of Security Dealers certification.
- (3) Trading resolution
- (4) Proof of State of Tennessee registration
- (5) Completed broker/dealer questionnaire
- (6) Certification of having read the City of Chattanooga's investment policy and depository contracts.

An annual review of the financial condition and registrations of qualified bidders will be conducted by the Treasurer.

A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the city of Chattanooga invests.

### **8.0 Authorized and Suitable Investments.**

The City of Chattanooga shall limit its investments to those allowed by the Tennessee Code Annotated 6-56-106, which states:

"In order to provide a safe temporary medium for investment of idle funds, municipalities are authorized to invest in the following:

- (1) Bonds, Notes or Treasury Bills of the United States;
- (2) Non-convertible debt securities of the following issues:
  - (A) The Federal Home Loan Bank;
  - (B) The National Mortgage Association;
  - (C) The Federal Farm Credit Bank; and
  - (D) The Student Loan Marketing Association;
- (3) Any other obligations not listed above which are guaranteed as to principal and interest by the United States or any of its agencies;
- (4) Certificates of deposit and other evidences of deposit at state and federal chartered banks and savings and loan associations.
- (5) Obligations of the United States or its agencies.
- (6) The Tennessee Local Government Investment Pool
- (7) Repurchase Agreements (provided a Master repurchase agreement has been executed and approved by the state director of local finance, such investments are made in accordance with procedures established by the state funding board:)"

### **8.1 Securities Not Eligible As Investments For Public Funds In The State Of Tennessee:**

- (1) Corporate Bonds
- (2) Corporate Stocks
- (3) Foreign Government Obligations
- (4) Futures Contracts
- (5) Investments in Commodities
- (6) Real Estate
- (7) Limited Partnerships
- (8) Negotiable Certificates of Deposit

**8.2 Reverse Repurchase Agreements.** The City of Chattanooga will not engage in using Reverse Repurchase Agreements. "Leveraging" is not an acceptable strategy for the City.

**8.3 Derivatives.** The City will not engage in rate speculation (e.g. through purchase of "derivative" securities).

**8.4 Risk.** The City's investing maxim is that public funds should never be put at risk.

**9.0 Investment Pool.** A thorough investigation of the pool/fund is required prior to investing, and on a continual basis. There shall be a questionnaire developed which will answer the following questions:

- (1) A description of eligible investment securities, and a written statement of investment policy.
- (2) A description of interest calculations and how it is distributed and how gains and losses are treated.
- (3) A description of how the securities are safeguarded (including the settlement processes, and how often are the securities priced and the program audited.
- (4) A description of who may invest in the program, how often, what size deposit and withdrawal.
- (5) A schedule for receiving statements and portfolio listings.
- (6) Are reserves, retained earnings, etc. utilized by the pool/fund?
- (7) A fee schedule, and when and how it is assessed.
- (8) Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

### **10.0 Collateralization**

All certificates of deposit and repurchase agreements will be collateralized. In order to anticipate market changes and provide a level of security for all funds, the Collateralization level will be 105% (Tennessee Code Annotated 9-4-105 "Required Collateral") of market value of principal and accrued interest.

- (1) Eligible Collateral: (Tennessee Code Annotated 9-4-103)
  - a. Bonds of the United States and its agencies
  - b. Obligations guaranteed by the United

States

- c. Obligations of Local Public Agencies and Public Housing Agencies (Section 110(c) of the Housing Act of 1949 amended:

- (2) Custodial Agreement: Collateral will always be held by an independent third party with whom the City has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained. All financial institutions doing business with the City are required to sign a Bond and Deposit Agreement with the City and it will be updated annually. The right of collateral substitution is granted.

### **11.0 Safekeeping and Custody:**

All security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a Delivery-Versus-Payment (DVP) basis. Securities will be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts.

### **12.0 Diversification**

The City will diversify its investments by security type and institution. With the exception of U.S. Treasury securities and the Tennessee State Local Government Investment Pool, no more than 50% of the City's total investment portfolio will be invested in a single security type or with a single financial institution.

### **13.0 Maximum Securities:**

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Under current City policy, unless matched to a specific cash flow, the City will not directly invest in securities maturing more than two (2) years from date of purchase. However, the City may collateralize its repurchase agreements using longer dated investments not to exceed five(5) years to maturity.

Reserve funds may be invested in securities exceeding two (2) years if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds.

#### 14.0 Internal Control

The Treasurer shall establish an annual process of independent review by an external auditor. The review will provide internal controls by assuring compliance with policies and procedures.

#### 15.0 Performance Standards

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

**15.1 Market Yield (Benchmark):** The City's investment strategy is passive. Basically, the passive approach to investing involves buying-and-holding purchases until maturity. Given this strategy, the basis used by the Treasurer to determine how the portfolio's market average rate of return compares to market yields shall be the six-month U.S. Treasury Bill and the average Federal Funds Rate.

#### 16.0 Reporting

The Treasurer is responsible for preparing a quarterly investment report to the Mayor and Finance Officer which will provide a clear picture of the status of the current investment portfolio. The management report should include comments on the fixed income markets and economic conditions, discussions regarding restrictions on percentage of investment by categories, possible changes in the portfolio structure going forward and thoughts on investment strategies.

Schedules in the quarterly report should include the following:

- (1) A listing of individual securities held at the end of the reporting period by authorized investment category, and financial institutions
- (2) Average life and final; maturity of all investments listed
- (3) Coupon, discount or earnings rate
- (4) Par value, Amortized Book Value and Market Value

- (5) Percentage of the Portfolio represented by each investment category

#### 17.0 Investment Policy Adoption:

The City of Chattanooga's Investment policy shall be adopted by resolution of the City Council. The policy shall be reviewed on an annual basis by the Finance Officer and Treasurer and any modifications made thereto must be approved by the City Council.

### Debt Policies

- ♦ The City will maintain a bond retirement fund reserve which is equivalent to the amount of debt services due on tax-supported General Obligation Bonds in the next fiscal year.
- ♦ The City will not issue notes to finance operating deficits.
- ♦ The City will issue bonds for capital improvements and moral obligations.
- ♦ The City will publish and distribute an official statement for each bond and note issue.

### Reserve Policies

- ♦ The City will maintain a revenue reserve in the General Operating Fund which represents between 20-25% of the fund's expenditures.
- ♦ The City will maintain a revenue reserve in the Interceptor Sewer Fund and the Solid Waste/ Sanitation Fund.

### Accounting, Auditing, and Financial Reporting Policies

- ♦ An independent audit will be performed annually.
- ♦ The City will produce annual financial reports in accordance with Generally Accepted Accounting Principles (GAAP) as outlined by the Governmental Accounting Standards Board.



- ♦ The City will maintain a strong internal audit capability.

## Capital Budget Policies

- ♦ The City shall invest a percentage of its general operating funds to finance ongoing infrastructure maintenance, repair and replacement programs, and to implement approved plans that foster economic and neighborhood development each year.
- ♦ The City will develop a multi-year plan for ongoing capital improvements, update it annually, and make all capital improvements in accordance with the plan. Funding of repair and replacement schedule projects will have funding priority before discretionary capital projects.
- ♦ Capital improvement projects which violate the principles and concepts of an adopted City plan or which duplicate other public and/ or private services will not be considered.
- ♦ The City Council will use the following criteria to evaluate the relative merit of each capital project:

Projects which will increase property values in a neighborhood, residential or business district;

Projects identified by a priority board or a department as important;

Projects which will directly benefit a community development area of the City;

Projects which are part of a multi-year funding commitment;

Projects which are an element of an approved master plan adopted by City Council;

Projects which result in the creation of permanent jobs and/or generate additional net revenue to the city;

Projects specifically included in an approved replacement schedule.

## Legal Requirements

In 1982 the Tennessee General Assembly passed what has become known as the "Municipal Budget Law of 1982." This law was incorporated into the Tennessee Code Annotated under *Section 6-56*. The following excerpts are from Tennessee Code Annotated 1992 Replacement and provide the state requirements for municipal budgets.

**6-56-203. Annual Budget Ordinance.** The governing body of each municipality shall adopt and operate under an annual budget ordinance. The budget ordinance shall present a financial plan for the ensuing fiscal year, including at least the following information:

(1) Estimates of proposed expenditures for each department, board, office or other agency of the municipality, showing in addition, the expenditures for corresponding items for the last preceding fiscal year, projected expenditures for the current fiscal year and reasons for recommended departures from the current appropriation pattern in such detail as may be prescribed by the governing body. It is the intent of this subdivision that except for moneys expended pursuant to a project ordinance or accounted for in a proprietary type fund or a fiduciary type fund which are excluded from the budget ordinance, all moneys received and expended by a municipality shall be included in a budget ordinance. Therefore, notwithstanding any other provision of law, no municipality may expend any moneys regardless of their source (including moneys derived from bond and long-term note proceeds, federal, state or private grants or loans, or special assessments), except in accordance with a budget ordinance adopted under this section or through a proprietary type fund or a fiduciary type fund properly excluded from the budget ordinance;

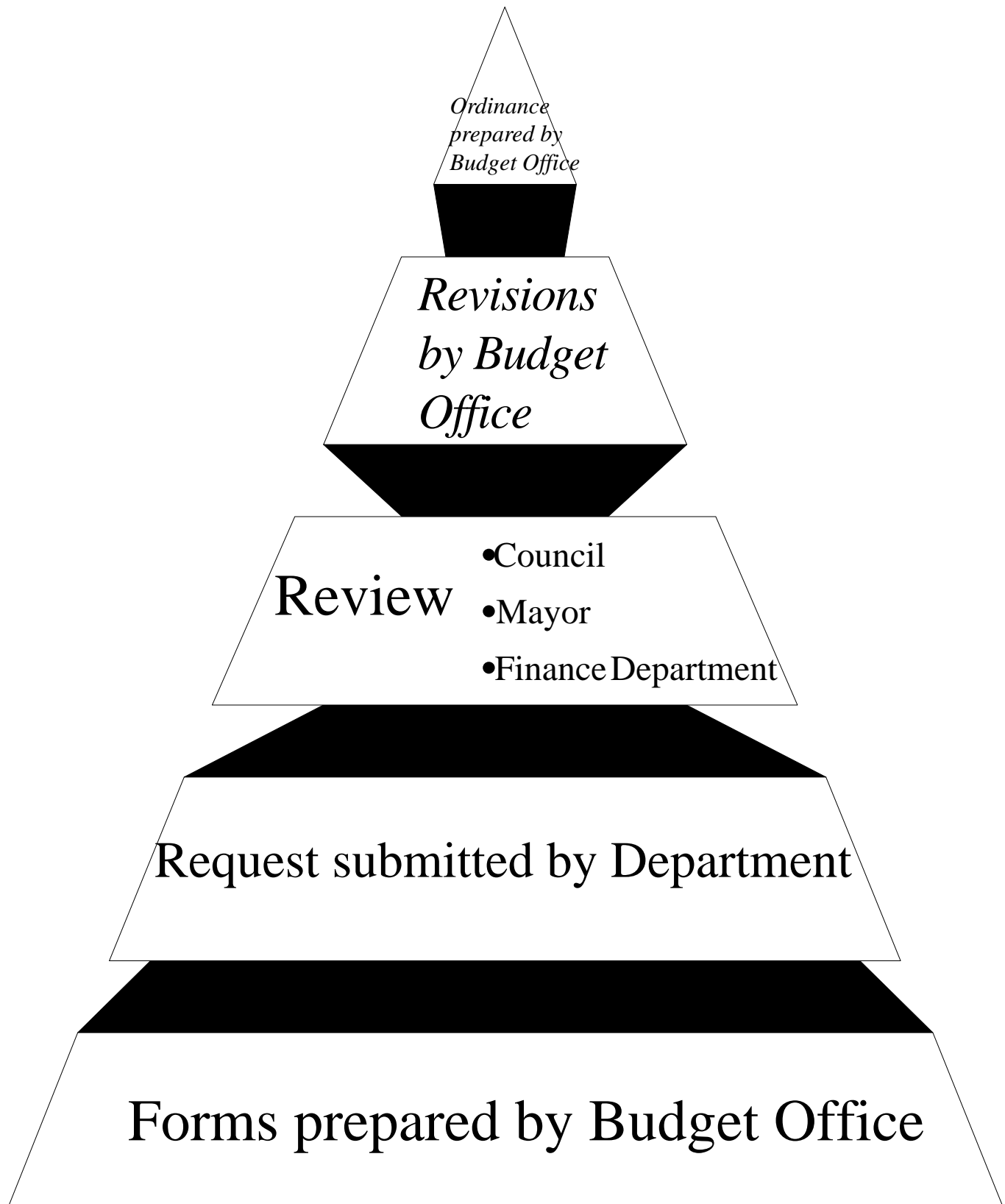
(2) statements of the bonded and other indebtedness of the municipality, including the debt redemption and interest requirements, the debt authorized and unissued, and the condition of the sinking fund;

(3) estimates of anticipated revenues of the municipality from all sources including current and delinquent taxes, nontax revenues and proceeds from the sale of any bonds or long-term notes with a comparative statement of the amounts received by the municipality from each of such source for the last preceding fiscal year, the current fiscal year, and the coming fiscal year in such detail as may be prescribed by the governing body;

- (4) a statement of the estimated fund balance or deficit, as of the end of the current fiscal year;
  - (5) a statement of pending capital projects and proposed new capital projects, relating to respective amounts proposed to be raised therefore by appropriations in the budget and the respective amounts, if any, proposed to be raised therefor by the issuance of bonds during the fiscal year; and
  - (6) such other supporting schedules as the governing body deems necessary, or otherwise required by law.
- The City Code of the City of Chattanooga also provides requirements for a budget. Following is an excerpt from Chapter III, Chattanooga City Code:

*Sect. 6.80. Annual Budget not to exceed estimated revenue except in cases of extraordinary emergencies. It shall be the duty of the City Council elected under this act to prepare and pass an annual budget each year. The budget for the ordinary and extraordinary expenses of said city for any one year shall not exceed the estimated amount of revenue to be collected for said year; and in no event shall there be appropriated by the City Council any sum or sums in excess of the estimated revenues of said City, for the fiscal year in which said appropriation is made. Provided, however, said City Council may, in extraordinary emergencies such as floods, epidemics, or destructive fires, make appropriations in excess of the estimated revenue when the public health, safety, and welfare demand same.*

# THE BUDGET MODEL



## Budget Procedures

The Charter of the City of Chattanooga designates the City Council as being the party responsible for the preparation and passage of the annual budget. This is found in Title 6, Finance & Taxation, Chapter III, Section. 6.80 and states:

**Section. 6.80** Annual budget not to exceed estimated revenue except in cases of extraordinary emergencies. It shall be the duty of the City Council elected under this act to prepare and pass an annual budget each year. The budget for the ordinary and extraordinary expenses of said city for any one year shall not exceed the estimated amount of revenue to be collected for said year; and in no event shall there be appropriated by the Council any sum or sums in excess of the estimated revenues of said city, for the fiscal year in which said appropriation is made. Provided, however, said members of the Council may, in extraordinary emergencies such as floods, epidemics, or destructive fires, make appropriations in excess of the estimated revenue when the public health, safety, and welfare demand same.

The Budget Section, a subsection of the Department of Finance, is the catalyst for the budget process for the City Council.

A brief description of the form of government the City of Chattanooga utilizes will be useful in more fully understanding the budget process. The City of Chattanooga operates under a Council/Mayor form of government, having changed from the Mayor/Commission form in 1990. The current organizational plan places legislative responsibility for municipal government in the City Council and gives administrative or executive authority to the Mayor. The Council levies taxes, enacts ordinances, adopts the annual budgets as well as performs other legislative functions. The

Mayor, who is elected by the citizens of Chattanooga in an at-large vote, carries out the programs and policies approved by the City Council. In addition to advising the Council on policy and legislative matters, the Mayor also recommends the annual budgets and work programs.

The operating budget of the City is the single most important decision making document passed by the Council each year. This budget document passed each year must effectively accomplish several criteria as well as meet certain governmental budgeting standards. The Government Finance Officers Association has established four (4) criteria that governmental budgets should meet:

A governmental budget should:

- (1) Be a policy document
- (2) Be an operating guide
- (3) Be a financial plan, and
- (4) Be a communications device

To insure these criteria are met, the Budget section of the City Finance Department prepares a budget calendar and budget policies to facilitate the decision-making process by providing overall direction to City departments. The budget calendar and the budget policies form the nucleus of the budget-making process for the City of Chattanooga. Following these two tools City Departments and Agencies develop their budget requests as well as their performance data to reflect the goals and objectives for the upcoming fiscal year.

The first budget procedure to be put into place is the formal adoption of the budget calendar and the budget policies by the City Council. In early February, the Budget Section, working under the direction of the Finance Administrator, compiles draft copies of the proposed budget calendar as well as the proposed budget policies. When the Finance Administrator is satisfied the proposals meet the needs of the Departments/Agencies, they are presented to the Mayor for review. The Mayor can at this time add to or delete from either document. When his review is finished the Mayor then presents the finished products to the City

Council for review and approval. The City Council can then change either document. When the review is completed the City Council formally adopts both the budget calendar and the budget policies. This provides the guidelines needed by the Departments/Agencies to begin budget preparation for the upcoming fiscal year. After the City Council has adopted the budget calendar and the budget policies, the Mayor meets with his Department Administrators and Department Budget Personnel to distribute them. While the budget calendar and budget policies are being discussed, the Budget Section of the City Finance Office's Department is preparing the budget forms and supplementary data for distribution to the various Departments and Agencies. A budget request form is prepared for each activity within each department of city government. This budget request form, along with the supplementary data, provides the detailed expenditures of the prior fiscal year and the detailed expenditures for the current fiscal year-to-date. Each department/Agency is responsible for projecting its expenditures thru the end of the fiscal year. Each increase requested in appropriations by a department or agency must be accompanied by a detailed justification sheet. Once the departments receive these budget request forms they are given a set time to return them to the City Finance Office, per the budget calendar. Detailed estimates are prepared of all anticipated revenues to the City from all sources. The Budget Section prepares these revenue estimates working in conjunction with the various departments and outside agencies or governmental units who plan to contribute funds to the City. The Revenue Budget Form contains data on the prior fiscal year, current year-to-date, a projection through the end of the fiscal year, and the amount estimated to be collected in the next fiscal year. These estimates are monitored throughout the budget-making process and changed as required, using updated data. When the Revenue Budget Form is completed it is discussed in detail with the Mayor by the Finance Administrator.

The Departments and Agencies are given a deadline in the budget calendar by which to turn in their budget requests to the City Finance Office. During this time their budgets are finalized by their budget personnel working closely with the Budget Section analyst assigned to their department. The goals and objectives of each activity are spelled out, and the financial means to accomplish them are incorporated into their budgets. Each activity is a stand alone document, virtually a teaching tool. When presented to the City Finance Office, a department's budget consists of Budget Forms for each activity within the department, overlaid with a departmental summary form. The department's overall goals and objectives are stated here on the summary forms.

Once all Budget Forms for all departments and agencies are collected by the City Finance Office a review process begins by the Budget Section. This budget documentation turned in by the departments should include a statement of proposed departmental goals and objectives, performance measures, an estimate on the status of performance at the end of the current year as well as traditional object code line item expenditure requests and justification for maintaining current and expanded expenditure requests. The Budget Section reviews each budget request to insure compliance with the budget policies.

It is at this time that budget sessions are held with departmental Administrators and budget personnel to discuss various issues and gain a thorough understanding of the budget requests. After meetings with the departments, the Budget Section is ready to balance the budget request to the estimated revenues. When this is accomplished, the balanced budget is presented to the Mayor for review. At this point the Mayor can add or delete items to the budget. When the Mayor is satisfied that the budget presented represents the goals and objectives of the City and the financial means of reaching those goals and objectives, he will present the balanced budget to the City Council at a Budget and Finance Committee meeting.

The City Council begins a budget review of its own once it receives the balanced budget proposal. This is done through the Budget Committee, where numerous work sessions are held to examine all aspects of the proposal. Department Administrators are called in to explain differences in their current year budget and the proposed budget. Changes are made by the Council at their discretion. Finally, when the budget is agreed upon, a Budget Ordinance is written up by the Budget Section for passage by the City Council at a regularly scheduled meeting. In this Budget Ordinance the City Council sets the Tax Rate for the next year to support the budget being submitted. The City Council holds public hearings on the budget proposal during the time the budget is first presented and when it is finally passed. The Budget Ordinance, like all City Ordinances, must pass three readings of the Council to become law.

The City of Chattanooga's budget process has evolved into a comprehensive system. The process is being constantly upgraded to provide the best tool possible for the departments and agencies to work with and to produce a budget document that is easy to read and follow and at the same time complex enough to allow for the many changes confronted by the City each year.

During May and June, the City Council hears budget requests from agencies and departments at its regularly scheduled meetings. Prior to July 1, the City adopts an interim budget appropriating funds for the usual and ordinary expenses of the City government in an amount not to exceed one-twelfth of the preceding fiscal year operating budget for each month that the interim budget is in effect. Subsequently, the budget is legally enacted through passage of an ordinance with an operative date of July 1. Upon adoption of the annual budget ordinance by the Council, it becomes the formal budget for City operations. After the budget ordinance is adopted, the council can increase the budget only if actual receipts exceed the estimated, or from accumulated surplus in

the amount of an unexpended appropriation from the previous year. Budget control is maintained by recording encumbrances as purchase orders are written. Financial reports, which compare actual performance with the budget, are prepared monthly and presented to the Council, allowing the council to review the financial status and measure the effectiveness of the budgetary controls. Open encumbrances are reported as reservations of fund balance at June 30. All unencumbered and unexpended appropriations lapse at year-end.

The City Finance Officer is authorized to transfer budgeted amounts within divisions within the General Fund, but the authorization does not apply to funds other than the General Funds.

Formal budgets are adopted for the General Fund, Debt Service Fund, all enterprise funds and for a majority of the Special Revenue Funds, including the State Street Aid Fund. These formal budgets are adopted on a departmental basis. Line item amounts from the budget preparation phase are booked on the appropriation ledger.

**March 1999**

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

**April 1999**

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**May 1999**

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30	31					

**June 1999**

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27	28	29	30			

**July 1999**

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18	19	20	21	22	23	24
25	26	27	28	29	30	31

**August 1999**

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15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

**March**

- 22 Distribute budget request Operation and Capital forms along with supplementary data to departmental personnel

**April**

- 9 Agencies submit request to City Council Office  
 12 Departments submit budget requests to finance department for budget review to begin  
 12-23 Budget Office Review  
 16 Departments submit Capital Budget requests to finance department. Interceptor Sewer System request to finance.  
 19 Meet with Mayor to discuss revenue estimates  
 19 - 23 Budget staff meets with department to discuss FY 99/2000 budget request  
 30 Total Request Budget presented to Mayor

**May**

- 12 Joint City/County budget hearings  
 6 Budget staff meets to review results from budget meetings to decide FY 99/2000 balanced budget for presentation to Mayor

**June**

- 4 Financial staff presents the balanced budget to Mayor (preliminary)  
 7 Budget staff presented the balanced budget to Council's Budget & Finance Committee (preliminary) after Mayor's recommendations  
 11 Financial staff meets with Personnel to discuss personnel recommendations  
 15 First reading of FY 99/2000 Budget Ordinance  
 22 Second reading of FY 99/2000 Operating Ordinance  
 29 Third reading of FY 99/2000 Operating Ordinance

**July**

- 13 The FY 99/2000 Budget Ordinance #10872 officially becomes effective  
 16 Deadline to upload operating budget amounts in Banner Budget Module

**August**

- 3 Preliminary Meeting with Budget & Finance Committee Chairman to discuss Capital Budget 2000  
 10 Present capital budget to City Council for 1st reading  
 17 Capital budget to City Council for 2nd and 3rd reading  
 31 Capital Budget Fiscal Year 2000 (#10896) effective

**September**

Complete Comprehensive Annual Budget Report

**October**

- 29 Submit Comprehensive Annual Budget Report to GFOA for review

**November**

Monitoring of All budgets

**December/January/February**

Monitoring of All budgets

**September 1999**

S	M	T	W	T	F	S
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**October 1999**

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31						

**November 1999**

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**December 1999**

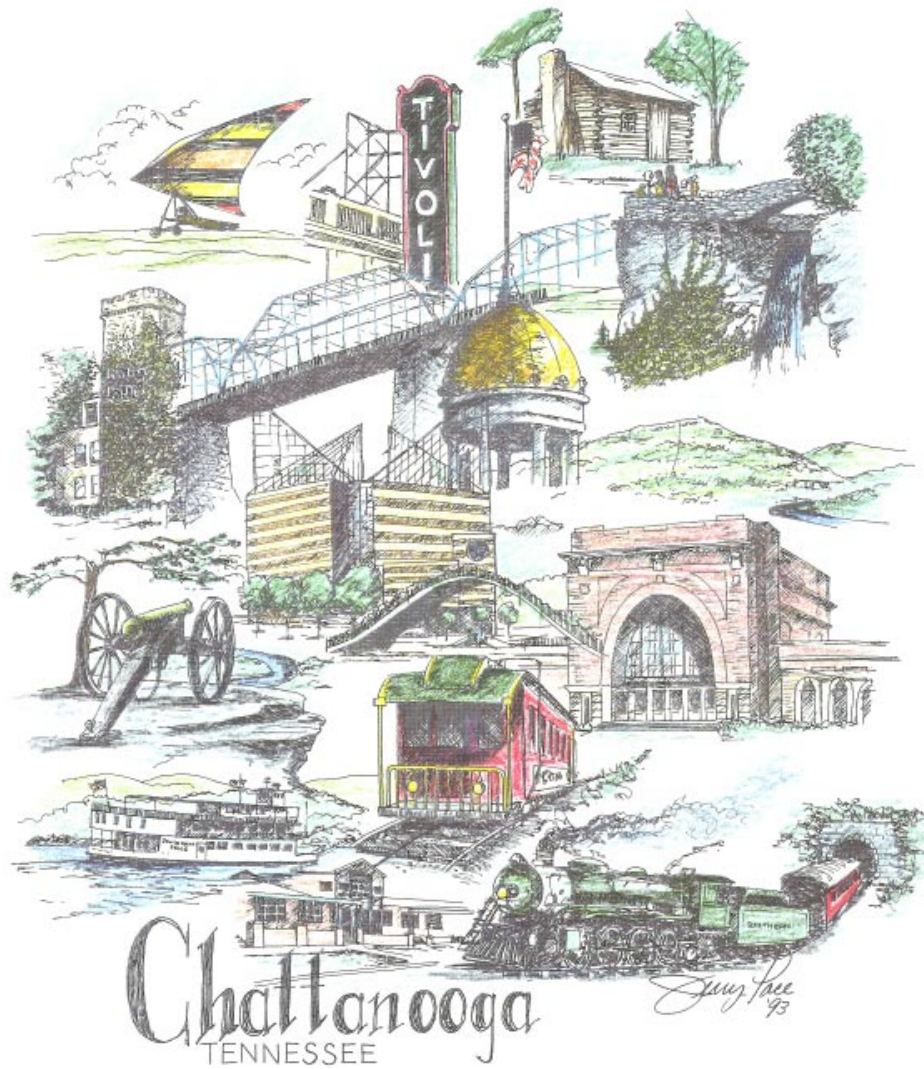
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**January 2000**

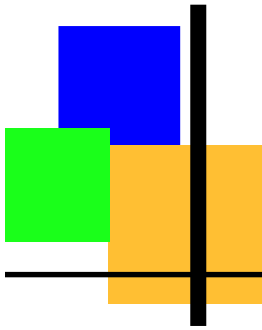
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30	31						

**February 2000**

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27	28	29					







## ORDINANCE NO. 10872

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AN ORDINANCE, HEREINAFTER ALSO KNOWN AS "THE FY1999/2000 BUDGET ORDINANCE", TO PROVIDE REVENUE FOR THE FISCAL YEAR BEGINNING JULY 1, 1999, AND ENDING JUNE 30, 2000, AND APPROPRIATING SAME TO THE PAYMENT OF EXPENSES OF THE MUNICIPAL GOVERNMENT; FIXING THE RATE OF TAXATION ON ALL TAXABLE PROPERTY IN THE CITY, AND THE TIME TAXES AND PRIVILEGES ARE DUE, HOW THEY SHALL BE PAID, WHEN THEY SHALL BECOME DELINQUENT; AND PROVIDING FOR INTEREST AND PENALTY ON DELINQUENT TAXES AND PRIVILEGES.

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WHEREAS, pursuant to and in compliance with the provisions of the Charter of the City of Chattanooga, Tennessee, the revenue has been estimated for operating the Municipal Government for the fiscal year 1999-2000 from all sources to be as follows:

### PROPERTY TAXES:

Current Taxes on Real & Personal Property	\$	58,538,828
Taxes on Real & Personal Property-Prior Years		2,850,000
CHA - In Lieu of Taxes		20,419
TVA in Lieu of Taxes		997,398
Electric Power Board in Lieu of Taxes		2,155,424
CNE - In Lieu of Taxes		58,000
Sofix - In Lieu of Taxes		74,442
Gibraltar Steel - in Lieu of Taxes		32,611
Champion Tray - In lieu of Taxes		37,981
Total Other - In Lieu of Taxes		86,681
Corporate Excise Taxes - State (Intangible Property)		254,000
Interest & Penalty on Current Year Taxes		60,000
Interest & Penalty on Delinquent Taxes		282,000
Delinquent Taxes Collection Fees		106,000
TOTAL	\$	65,553,784

### OTHER LOCAL TAXES:

Franchise Taxes - ComCast	\$	1,152,886
Franchise Taxes - Chatt Gas		283,750
Liquor Taxes		1,200,000
Beer Taxes		4,100,000

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Local Litigation Taxes - City Court		5,700
TOTAL	\$	6,742,336

## LICENSE, PERMITS, ETC.:

Motor Vehicle Licenses	\$	357,500
Parking Meters		500,000
Business Licenses (excluding Liquor)		124,000
Gross Receipts Tax		2,604,000
Fees for Issuing Business Licenses & Permits		56,000
Interest & Penalty on Business Licenses & Permits		64,000
Wrecker Permits		6,500
Building Permits		350,000
Electrical Permits		85,000
Plumbing Permits		82,000
Street Cut-In Permits		31,000
Sign Permits		90,000
Liquor By the Drink Licenses		102,500
Hotel Permits		1,900
Gas Permits		8,500
Liquor By the Drink - Interest & Penalty		4,500
Plumbing Examiner Fees & Licenses		25,000
Electrical Examiner Fees & Licenses		48,000
Gas Examination Fees & Licenses		33,000
Mechanical Code Permits		60,000
Permit Issuance Fees		70,000
Beer Application Fees		91,100
Mechanical Exam Fee & Licenses		60,000
TOTAL	\$	4,854,500

## FINES, FORFEITURES, AND PENALTIES

City Court Fines	\$	950,000
Criminal Court Fines		240,000
Traffic Court Fines		250,000
Delinquent Tickets		200,000
Delinquent Tickets – Clerk's Fee		100,000
TOTAL	\$	1,740,000

## REVENUES FROM USE OF MONEY OR PROPERTY:

Interest on Investments	\$	2,800,000
Land & Building Rents		162,000
Telephone Commissions		2,000
Dock Rental (Wharf)		9,540
TOTAL	\$	2,973,540

## REVENUES FROM OTHER AGENCIES:

Local Option Sales Tax-General Fund	\$	20,192,436
State Beer Tax		74,000
Hall Income Tax		2,500,000
State Sales Tax		9,460,615
State Mixed Drink Tax		1,064,100
State Gas Inspection Fees		370,377
State Maintenance of Streets		100,000
State Alcoholic Beverage Tax		80,000
State – SRO Funds		110,000
TVA Impact Funds		28,000
HUD-Harriet Tubman Project		283,572
Hamilton County - Radio & Electronics		50,000
Cops Universal Hiring		1,796,937
Hamilton County Ross' Landing/Plaza		746,651
TOTAL	\$	36,856,688

## SERVICE CHARGES FOR CURRENT SERVICES

City Court Costs	\$	62,000
Clerk's Fees		190,000
State Court Costs		650
Charges for Financial Services-Elec. Power Board		7,200
Monitoring Service		3,300
Swimming Pools		9,000
Park Concessions		32,500
Variance Request Fees		4,000
Payroll Deduction Charges		11,450
Indirect Costs		1,679,578
Plans & Specification Deposits		7,500
Other Funds Reimbursement-Health Insurance		2,423,860
Employee Contributions-Health Insurance		1,191,218
Regular Retiree Contributions		325,750
Early Retiree Contributions		45,120
COBRA Reimbursements – Health Insurance		56,000
Carousel Ridership		41,062
Carousel – Miscellaneous Revenue		2,000
Walker's Pavilion Rents		10,500
Miscellaneous Revenue – Auditorium		5,000
Memorial Auditorium Concessions		41,450
Auditorium Box Office		63,950
Tivoli Box Office		15,300
Tivoli Concessions		17,500
Memorial Auditorium Rents		146,250
Tivoli Rents		128,500
Miscellaneous Revenue		400,000
TOTAL	\$	6,920,638
TOTAL GENERAL FUND ESTIMATED REVENUE	\$	125,641,486

and,

WHEREAS, it is necessary to base the appropriations to the various departments of the Municipal Government on the above estimated revenues:

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE:

SECTION 1. That for the purpose of raising revenue to operate the various departments, agencies, boards, commissions, offices, divisions or branches of the Municipal Government, and to pay the interest on and retire bonds of said City as they mature, there be and is hereby levied upon all taxable property within the City of Chattanooga, Tennessee, a tax for the year 1999 at a rate of \$2.31 upon every \$100.00 in assessed value of such taxable property; and to the extent applicable there is also levied a tax at the same rate upon every \$100.00 of Merchant and other Ad Valorem within the corporate limits of the City of Chattanooga, Tennessee.

SECTION 2. That the assessment made by the Assessor of Property of Hamilton County, Tennessee, and by the Tennessee Regulatory Agency for 1999 on all property located within the Corporate limits of the City of Chattanooga, Tennessee, be and is hereby adopted as the assessments of the City of Chattanooga.

SECTION 3. That the taxes herein levied on all taxable property within the corporate limits of the City of Chattanooga shall be due and payable at the office of the City Treasurer and Tax Collector OCTOBER 1, 1999, and shall become delinquent MARCH 1, 2000, after which date unpaid taxes shall bear interest at six (6%) percent per annum, and a penalty of (6%) percent per annum, plus other penalties as provided by law, which shall be paid by the taxpayer; provided, that except for taxpayers receiving tax relief under T.C.A. Sections 67-5-702 through 67-5-705.

SECTION 4. That the Provisions of Chapter 387, Public Acts of 1971, as amended by Chapter 850, Public Acts of 1972, and as further amended by the Public Acts of 1973, and as further amended, relative to the authorization of local taxes upon the privilege of engaging in certain types of business activities be and are hereby adopted by reference, and there is hereby levied a Business Tax on all businesses taxable by municipalities under Chapter 387, Public Acts of 1971, as amended, at the maximum rates specified therein. The City Treasurer is authorized and directed to collect such taxes as are authorized by said Act to be collected by the City of Chattanooga, a municipality, together with such interest and penalties as may become due thereon, at the maximum rate provided by law. In addition to said taxes, the City Treasurer is hereby authorized and directed to collect a fee of Five and 00/100 (\$5.00) Dollars upon the issuance of any privilege license under said Business Tax Act and also upon receipt of each payment of the Gross Receipts tax authorized by said Act, except that this fee may not be charged persons paying the annual minimum tax under the provisions of Chapter 58, Title 67, of the Tennessee Code Annotated, if paid on the same date as the respective and related return is filed.

SECTION 5. That the budgets of the various departments, agencies, boards, commissions, offices, divisions, or branches of Municipal Government for the fiscal year beginning July 1, 1999, are fixed as hereafter set out; and the amount so fixed for each is hereby appropriated out of the estimated revenue for said year for the use of that department, agency, board, commission, office, division, branch of government, to-wit:

#### GENERAL FUND APPROPRIATIONS

Department of Finance & Administration	\$	5,852,709
Department of Police		28,437,890
Department of Fire		19,302,417
Department of Public Works		18,416,831
Department of Parks, Recreation, Arts & Culture		9,869,428
Department of General Services		15,854,843

Department of Personnel	922,523
Department of Neighborhood Services	1,315,518
General Government & Supported Agencies	25,669,327

TOTAL	\$ 125,641,486
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## DEPARTMENT OF FINANCE &amp; ADMINISTRATION

Finance Office	\$ 1,603,011
Information Services	2,331,676
City Treasurer	562,085
Telephone System	424,455
City Court Clerk – Operations	846,482
City Court Clerk's Office – Space Cost	85,000

TOTAL	\$ 5,852,709
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## DEPARTMENT OF POLICE

Chief of Police	\$ 503,416
Internal Affairs	40,357
Office of Budget & Finance	492,703
Office of Community Outreach	59,522
Police Information Office	114,302
Office of Legal Services	108,133
Community Policing Sworn	53,263
Uniform Services Command	380,439
Alpha Team	1,682,035
Charlie Team	2,070,810
Echo Team	1,486,412
Fox Team	1,641,523
George Team	1,582,369
Special Operations	1,251,549
Animal Services	681,988
Investigative Services	404,505
Property Crimes	1,195,479
Major Crimes	837,353
Narcotics, Vice, Organized Crime	1,045,047
Youth Services	1,003,940
Investigative Support	902,278
Support Services	209,638
Training Division	1,435,790
Fleet / Facilities Management	2,173,192
Information Management	3,952,896
Police Personnel	286,723
Crime Prevention	166,665
Police Department	2,475,563

TOTAL	\$ 28,437,890
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## DEPARTMENT OF FIRE

Fire Operations	\$ 17,805,441
Utilities	1,496,976

TOTAL	\$ 19,302,417
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## DEPARTMENT OF PUBLIC WORKS

Administration	\$	452,343
City Engineer		1,672,560
Street Cleaning		1,468,129
Emergency		389,668
City Wide Services		791,854
Sewer Construction & Maintenance		1,600,473
Storm Water Subsidy		683,952
Inspection Division		1,266,906
Board of Gas Fitters		3,450
Board of Plumbing Examiners		2,000
Board of Electrical Examiners		19,350
Board of Variances		5,000
Board of Mechanical Examiners		1,800
Utilities		127,500
Brainerd Levee 1,2,3		58,770
Orchard Knob		54,375
Minor Pump Stations		20,500
Traffic Administration		470,473
Traffic Control		1,413,266
Street Lighting		2,325,000
Solid Waste & Sanitation Fund Subsidy		5,589,462
		-----
TOTAL	\$	18,416,831

## DEPARTMENT OF PARKS, RECREATION, ARTS &amp; CULTURE

Administration	\$	535,001
Facility Planning		65,733
Public Information		103,371
J. Frost Stadium		101,265
Recreation Supervision		402,816
Community Centers		730,771
Senior Citizen Recreation. . . . . A.O.		58,916
Summer Youth Recreation		237,331
Fitness Center		238,986
Greater Chatt Sports Comm. . . . . A.O.		75,000
Inner City Ministry. . . . . A.O.		18,500
Rec-Late Night Programs		57,000
Cultural Arts		209,988
OutVenture		60,883
Sports		592,797
At-Risk Youth/Spec Program		510,404
Parks Maintenance		2,303,736
Warner Park Zoo		293,862
Tennessee Riverpark - Downtown		1,190,952
Municipal Forestry		349,870
Buildings & Structures		534,720
Carousel Operations		132,393
Auditorium Operations		299,691
Civic Facilities Concessions		77,025
Tivoli Operations		216,624
Civic Facilities Administration		471,793
		-----
TOTAL	\$	9,869,428

## DEPARTMENT OF GENERAL SERVICES

Administration	\$	490,084
City Hall/Annex Maintenance		700,277
Electronics Division		341,380
Employee Benefits Office		195,845
Employee Insurance Program		11,858,525
Job Injuries		1,563,000
Purchasing		705,732
TOTAL	\$	15,854,843

## DEPARTMENT OF PERSONNEL

Administration	\$	825,123
Physicals		97,400
TOTAL	\$	922,523

## DEPARTMENT OF NEIGHBORHOOD SERVICES

Administration	\$	301,084
Codes & Community Services		667,161
Human Rights		96,941
Neighborhood Relations		250,332
TOTAL	\$	1,315,518

## GENERAL GOVERNMENT &amp; SUPPORTED AGENCIES:

The initials "A.O." as they appear in this Section, or elsewhere in the Ordinance, shall mean "Appropriation Only" which is hereby defined to mean that the amount as is shown being appropriated is only the appropriation of the City toward the total budget of such department, agency, board, commission, office or division or branch of government and is not to be construed to mean that such amount is its total budget or appropriation. The initials "A.S.F." as they appear in this Section, or elsewhere in this Ordinance, shall mean "Appropriation to Special Fund" which is hereby defined to mean that the amount as is shown being appropriated is to a Special Fund that will not revert to the General Fund at the end of the fiscal year.

## GENERAL GOVERNMENT &amp; SUPPORTED AGENCIES:

Executive Office of Mayor	\$	566,554
City Council		546,225
Air Pollution Control Bureau. . . . . A.S.F.		270,820
Allied Arts Council. . . . . A.O.		
General Operations		250,000
Chattanooga African-American Museum		70,000
Association of Visual Artist		15,000
Chattanooga Regional History Museum		48,000
Audits, Dues, & Surveys		137,000
CARCOG & Economic Development District. . . . . A.O.		30,493
CARTA Subsidy. . . . . A.O.		3,299,934
Carter Street Corporation Lease Agreement. . . . . A.O.		1,428,042
Carter Street Corporation		49,675
C-HC Bicentennial Public Library. . . . . A.S.F.		2,165,258

Chattanooga Neighborhood Enterprises. . . . .	A.O.	2,000,000
Chattanooga Area Urban League. . . . .	A.O.	50,000
Chattanooga Storm Water Fees. . . . .	A.S.F.	70,000
Children's Advocacy Center. . . . .	A.O.	30,000
City Court (Judicial)		341,137
Community Foundation Scholarships		160,000
Community Impact		167,000
Contingency Fund		489,918
Debt Service Fund. . . . .	A.S.F.	6,416,931
Downtown Partnership. . . . .	A.O.	100,000
Election Expense		25,000
Front Porch Alliance (Inner City Ministries)		50,000
Heritage Fund . . . . .	A.S.F.	35,000
Homeless Health Care Center. . . . .	A.O.	17,500
Human Services. . . . .	A.S.F.	1,396,784
Humane Educational Society. . . . .	A.O.	250,000
Inner City Development Corp		35,000
Intergovernmental Relations		237,800
Metro Council Community Services. . . . .	A.O.	10,000
City Attorney's Office		
Administration		693,038
Liability Insurance Fund		950,000
Renewal & Replacement		1,500,000
Pensions, FICA, & UIC		56,500
Real Estate Fund. . . . .	A.S.F.	85,000
Regional Planning Agency. . . . .	A.S.F.	821,162
Scenic Cities Beautiful. . . . .	A.S.F.	30,294
Taxi Board. . . . .	A.O.	750
Tennessee RiverPark. . . . .	A.O.	713,512
WTCL-TV-Channel 45. . . . .	A.O.	60,000
<b>TOTAL</b>	<b>\$</b>	<b>25,669,327</b>

SECTION 6. That there be and is hereby established a budget for each of the following special funds for Fiscal Year 1999-2000

Fund Number	Fund Title	Amount
1119	ECONOMIC DEVELOPMENT/EDUCATION FUND	
Estimated Revenue:		
City – Only Sales Tax		\$ 16,685,286
		=====
Appropriations:		
Education – Hamilton County		\$ 8,342,643
Chattanooga Economic Development Capital Fund		7,817,643
African – American Chamber (Urban League)		75,000
Chattanooga Chamber for Economic Development		400,000
Chamber of Commerce Marketing		50,000
		=====
	<b>\$</b>	<b>16,685,286</b>
		=====



## 1105 REAL ESTATE FUND

## Estimated Revenue:

City of Chattanooga General Fund	\$	85,000
Fund Balance		246,175
Sale of Property		50,000
Building Rental		36,048
Back Tax Property Sales		75,000
		<hr/>
	\$	492,223
		=====

## Appropriations:

Administration	\$	288,566
Property Maintenance		203,657
		<hr/>
	\$	492,223
		=====

## 2104 STATE STREET AID

## Estimated Revenue:

State of Tennessee	\$	4,166,425
Interest Earning		65,000
		<hr/>
	\$	4,231,425
		=====

## Appropriations:

Salaries & Wages	\$	2,267,529
Fringe Benefits		595,197
Purchased Services		87,700
Material & Supplies		634,700
Travel		1,500
Vehicle Operating Expense		617,999
Capital Outlay & Fixed Assets		25,000
Government Charges, Taxes, Etc.		1,800
		<hr/>
	\$	4,231,425
		=====

## 3100 DEBT SERVICE

## Estimated Revenue:

General Fund	\$	6,416,931
911 Emergency Communications		200,000
Hamilton County		822,553
Private Industry Council		216,545
Fund Balance		2,158,445
		<hr/>
	\$	9,814,474
		=====

## Appropriations:

Principal	\$	4,748,696
Interest		2,897,333

Bank Service Charges	10,000
Future Debt Payments	2,158,445
	<hr/>
	\$ 9,814,474
	<hr/>

## 7100 Community Development Fund

## Estimated Revenue:

Community Development Block Grant - New Grants	\$ 2,467,000
CDBG – Program Income	1,400,000
Emergency Shelter Grant	88,000
THDA – Program Income	150,000
	<hr/>
	\$ 4,105,000
	<hr/>

## Appropriations:

28 <sup>th</sup> Legislative District CDC	50,000
Alton Park & Dodson Avenue Health Center	86,650
Bethlehem Community Development Credit Union	35,000
CCHDO	16,000
CD Office Administration	613,500
Chattanooga Church Ministries – Community Kitchen	30,235
Chattanooga Drum & Bugle Corp	59,000
Chattanooga Housing Authority	66,000
Chattanooga Human Services Department	200,000
Chattanooga Neighborhood Enterprise	1,741,000
City of Chattanooga General Services	325,000
City of Chattanooga Neighborhood Services	50,000
City of Chattanooga Parks, Recreation, Arts & Culture	92,450
Contingency	33,178
Dismas	51,600
Family & Children's Services	27,437
Future TDHA Housing Projects	150,000
Girls, Inc.	87,500
Good Neighbor's Housing, Inc.	17,600
Hope For Chattanooga	5,000
Interfaith Hospitality Network of Greater Chattanooga	20,000
Jeff Heights Neighborhood Coalition	11,000
Room In The Inn	4,000
Special Transit Services	20,700
Southeast Tennessee Legal Services	10,800
United Methodist Center (Bethlehem)	62,500
United Way Center for NonProfits	50,850
Westside CDC	100,000
ESG - Chattanooga Church Ministries	18,817
ESG – Chatt Room in the Inn	18,966
ESG - Family & Children's Services	50,217
	<hr/>
	\$ 4,105,000
	<hr/>

## 7101 Economic &amp; Community Development - HOME PROGRAM

## Estimated Revenue:

Federal Grant (HOME)	\$	1,216,000
Program Income		200,000

	\$	1,416,000
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## Appropriations:

HOME – CCHDO		457,000
HOME – CNE		959,000

\$	1,416,000
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## 2102 Human Services Department

## Estimated Revenue:

Federal-State Grants	\$	9,253,494
City of Chattanooga		1,396,784
Contributions		30,920

\$	10,681,198
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## Appropriations:

Headstart	\$	5,479,338
Day Care		1,387,847
Weatherization		244,989
Foster Grandparents		371,719
LIEAP		696,058
CSBG		629,059
Occupancy		226,221
Human Services Program		1,435,003
Neighborhood Family Services		105,361
City General Relief		105,603

\$	10,681,198
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## 5200 Solid Waste &amp; Sanitation Fund

## Estimated Revenue:

Landfill Tipping Fees	\$	6,278,555
Permits		1,000
General Fund Subsidy		5,589,462
State of Tennessee		65,000
Public Works Capital		100,000
Interest		102,400

\$	12,136,417
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## Appropriations:

Garbage Collection		2,689,491
Recycle		686,285
Brush & Trash Collection		2,105,164

Waste Disposal – Chattanooga Landfill	1,653,614
Sanitary Landfill	103,400
Wood Recycle	723,437
Solid Waste Reserve	1,318,496
Renewal & Replacement	6,880
Debt Service	2,749,650
Household Hazardous Waste	100,000
	<hr/>
	\$ 12,136,417
	=====

#### 5300 Storm Water Fund

Estimated Revenue:	
Storm Water Fee	4,104,048
General Fund Subsidy	683,952
	<hr/>
	\$ 4,788,000
	=====

Appropriations:	
Stormwater Management	2,467,594
Renewal & Replacement	78,000
Capital Improvement	71,500
Debt Service	2,170,906
	<hr/>
	\$ 4,788,000
	=====

SECTION 6 (a). That there be and is hereby authorized the appropriation of all collections and fund balances to the respective funds, other than the General Fund, to be expended for the general public purposes as indicated. Be it further authorized that the City Attorney may continue to incur necessary expenses related to the acquisition of the Tennessee American Water Company, said expenses to be reimbursed from bond proceeds used to acquire the system.

SECTION 7(a) That all persons within the "City of Chattanooga Classification System" and covered by the "Pay Plans" on the effective date of this Ordinance shall receive, if approved by their supervisor, their regularly scheduled step increase as incorporated in the "Pay Plans" attached hereto and made a part by reference thereof, except that employees hired subsequent to February 28, 1999 shall not be eligible for a step increase during the fiscal year ending June 30, 2000. However, a Department head can certify that an employee is not qualified for a step increase. Also, all persons within the "City of Chattanooga Classification System" but not covered by the "Pay Plans" shall receive a four percent (4%) increase in pay effective July 1, 1999

SECTION 7(a)(1). In addition to the minimum rate of pay established in the Classification Plan, a rate of pay less that Step(1) one of the designated pay grade may be assigned to the newly employed or promoted incumbent for a specified period of time. This step shall be identified as "probation step"

SECTION 7(a)(2). Any person employed on a temporary basis in positions authorized within the Classification Plan shall be paid at a rate not more than Step (1) one of the position's pay grade. As provided in the Chattanooga City Code, Part II, temporary employment shall not exceed a period of 6 months on any occasion.

SECTION 7(a)(3). In addition to positions provided for hereinafter, known as positions within the "City of Chattanooga Classification Plan", which includes only permanent full time positions, the City recognizes and authorizes the following types of designation of positions as exempt from the

Classification Plan: Permanent Part-Time, Temporary Part-Time, Permanent Daily, Permanent Full-Time Elected Officials, and Temporary Full-Time.

SECTION 7(b). That except as otherwise provided, the positions specified hereinafter are hereby authorized at the pay grades or maximum amounts and upon the terms hereinafter specified.

**SEE PERSONNEL ADMINISTRATION SECTION FOR FY 99/2000  
AUTHORIZED PERSONNEL AND APPROVED "PAY PLAN"**

SECTION 8. That all salaries and wages and other expenditures shall be paid only upon the authorization of the official who has the responsibility of expending the appropriation against which the salaries or wages or other expenditures are charged, pursuant to Private Acts of 1953, Chapter 105, Section 2 (4). That all funds appropriated in this Ordinance for payment of salaries and/or wages shall be spent for salaries and wages only unless proper authorization is given to do otherwise.

SECTION 9. That the City Finance Officer is authorized to pay the payroll and/or costs of personal services, whether on the payroll, voucher or otherwise, of the Air Pollution Control Bureau, Chattanooga-Hamilton County Bicentennial Library, Chattanooga-Hamilton County Regional Planning Agency, Special Counsels and personnel of the Office of the City Attorney, Human Services Department, Scenic Cities Beautiful, and any other department, agency, board, commission, office, division, or branch of Municipal Government heretofore or hereafter established, notwithstanding that same is not specified hereinbefore, as certified to him by the respective administrative official.

SECTION 9(a). That the City Finance Officer is authorized to pay a uniform and equipment maintenance allowance of five hundred (\$500.00) dollars for all sworn policemen, detectives, inspectors, and firefighters as of July 1, 1999. Further, the City Finance Officer is authorized to pay a supplemental tool allowance of one hundred fifty (\$150.00) dollars for certain employees as set forth in Resolution 18381, dated 12/05/89, as amended; and is authorized to pay a supplemental uniform allowance of one hundred fifty (\$150.00) dollars for certain employees as set forth in Resolution 17840, dated 10/04/88, as amended. It shall be the duty of employees receiving these supplements to use the funds for the specified purpose and retain receipts to that effect. Any unused funds shall be returned to the City of Chattanooga.

SECTION 9(b). That the City Finance Officer is authorized to match the total salaries of all participants in the Fire and Police Pension Fund with a contribution from the General Fund not to exceed twelve (12%) percent.

SECTION 9(c). That for purposes of calculation of Fire & Police Pension benefits, the "basic salary" as defined in Section 13.66, Part I (Charter), Chattanooga City Code, for fiscal year 1999-2000 shall be the top salary paid to Police Department Sergeants as capped at \$42,962.00 a (7%) seven percent growth over fiscal year 1998-99.

SECTION 9(d). That the City Finance Officer is authorized to match the total salaries of all participants in the General Pension Plan with a three point five three (3.53%) percent contribution from the General Fund.

SECTION 9(e). That the City Finance Officer is authorized to pay the following Union Pension Plans the specified amounts per participation agreements:

Central Pension Fund	\$ 1.06 Per Hour
LIUNA (Laborers) Pension Fund	\$ 0.82 Per Hour

SECTION 10. That the City Finance Officer is authorized to reimburse officials and employees for use of personal vehicles on official business at the current rate per mile recognized and established by the Internal Revenue Service.

SECTION 11. That for employees currently receiving a monthly allowance of \$400.00 per person in-lieu of a take-home government vehicle shall continue to receive same for as long as such employee hold his/her current position. Additional employees may receive this allowance only with approval of the Mayor and passage of an ordinance by the City Council.

SECTION 12. That pursuant to the Charter, it shall be unlawful for any department, agency, or branch of the Government to expend any money other than the purpose for which it was appropriated, nor shall the expenditures for a purpose exceed the appropriation for said purpose.

SECTION 13. If at any time the actual receipt of revenues is projected to be less than the estimated revenues, it shall be the duty of the Mayor to forthwith initiate an ordinance amending this budget ordinance so as to appropriately reduce or otherwise change the various appropriations made herein which, in the judgment of the City Council, should be made.


SECTION 14. That any person, firm or corporation who engages in any business, occupation or vocation without first obtaining a license or permit therefor as provided herein shall, upon conviction, be fined not less than Two Dollars (\$2.00) nor more than Five Hundred Dollars (\$500.00) for each violation, and each day or violation shall constitute a separate offense.

SECTION 15. That this Ordinance shall be operative, as distinguished from its effective date, on and after July 1, 1999.

SECTION 16. That if any section, sentence, word or figures contained in this Ordinance should be declared invalid by a final decree of a Court of competent jurisdiction, such holding shall not affect the remaining sentences, sections, words or figures contained in this Ordinance, but the same shall remain in full force and effect.

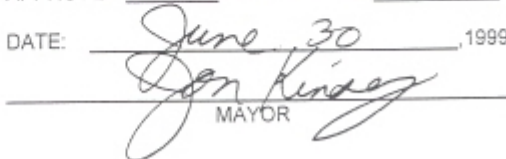
SECTION 17. That this Ordinance shall take effect two (2) weeks from and after its passage as provided by law.

PASSED on Third and Final  
Reading June 29, 1999

  
\_\_\_\_\_  
CHAIRPERSON

APPROVED X DISAPPROVED \_\_\_\_\_

DATE: June 30, 1999

  
\_\_\_\_\_  
MAYOR

introduced by \_\_\_\_\_  
 passed \_\_\_\_\_  
 1st reading \_\_\_\_\_  
 2nd reading \_\_\_\_\_  
 3rd reading \_\_\_\_\_  
 passed \_\_\_\_\_  
 adopted \_\_\_\_\_  
 reamended \_\_\_\_\_

8-10-99  
 8-17-99  
 8-17-99

ORDINANCE NO. 10896

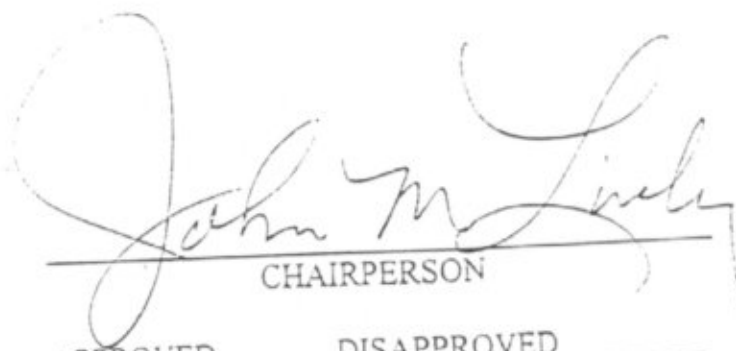
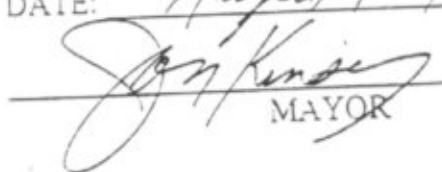
AN ORDINANCE APPROPRIATING, AUTHORIZING OR ALLOCATING FUNDS TO THE CAPITAL IMPROVEMENTS BUDGET FOR THE FISCAL YEAR 1999/2000.

SECTION 1. BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE; That there be and is hereby appropriated, authorized, or allocated the hereinafter set funds from the sources specified for the public purposes indicated of the Capital Improvements Budget program for the Fiscal Year 1999/2000:

		<u>Source of Funds</u>	<u>Budget Appropriation</u>
FROM	General Fund - Fund Balance	\$ 175,000	
	General Fund Capital Improvements	550,000	
	Parks & Recreation Capital Projects Fund 4105		175,000
	General Services Capital Projects Fund 4104		550,000
TOTALS		<u>\$ 725,000</u>	<u>\$ 725,000</u>

SECTION 2. BE IT FURTHER ORDAINED, That this Ordinance shall take effect two weeks from and after its passage as provided by law.

PASSED on Third and Final  
Reading August 17, 1999.

  
\_\_\_\_\_  
CHAIRPERSON  
APPROVED \_\_\_\_\_ DISAPPROVED \_\_\_\_\_  
DATE: August 18, 1999  
  
\_\_\_\_\_  
MAYOR

RR:cjc